

Land Readjustment in Practice: Legal and Institutional Framework of Gujarat's Town Planning Scheme Mechanism

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Abstract: *Land readjustment has emerged as a vital tool for urban transformation in India, particularly in Gujarat, through the Town Planning Scheme (TPS) mechanism. This paper analyzes the legal and institutional framework of Gujarat's TPS, tracing its evolution, examining its practical application, and evaluating its effectiveness in planned urban development. Drawing from statutory provisions of the Gujarat Town Planning and Urban Development Act, 1976, and practical insights from various case studies, this paper explores the integrated process of land pooling, stakeholder engagement, and value capture. Comparisons with global models, notably Japan, further contextualize Gujarat's success and identify areas for improvement.*

Keywords: Land readjustment, Town Planning Scheme, Urban development, Stakeholder engagement, Gujarat urban policy

1. Introduction

Urbanization in India demands innovative and sustainable land management strategies. Among these, land readjustment through Town Planning Schemes (TPS) has become a hallmark of Gujarat's planning regime. Unlike conventional land acquisition, TPS facilitates participatory development by pooling and reconstituting fragmented land parcels into serviced plots with modern infrastructure and amenities.

The legal foundation of this process is embedded in the Gujarat Town Planning and Urban Development Act (GTPUD Act), 1976. Over the decades, the state has refined this mechanism into a model admired globally for balancing growth, equity, and efficiency.

2. Historical and Legal Background

Gujarat's land readjustment journey began with the Bombay Town Planning Act, 1915, which was first applied to the Salsette Island and later spread across Gujarat and Maharashtra. The TPS model was institutionalized through the GTPUD Act, 1976, which formally structured the process into a two-tier urban planning system: macro-level Development Plans (DP) and micro-level TPS.

The GTPUD Act mandates pooling of land parcels in designated TPS areas (usually 100–200 ha), deducts a portion for public infrastructure (roads, parks, EWS housing), and redistributes the remainder in a reconstituted form to the original landowners. This legal provision enables cost-effective infrastructure development without resorting to compulsory land acquisition.

3. Institutional Framework and Process

The TPS process involves several key institutions:

- Urban Development Authorities (e. g., AUDA) initiate and manage TPS.
- Town Planning Officer (TPO): Acts as a quasi-judicial authority overseeing objections, compensation, and final plot redistribution.

- State Government: Grants final sanctions and ensures compliance.

The TPS process unfolds in four key stages:

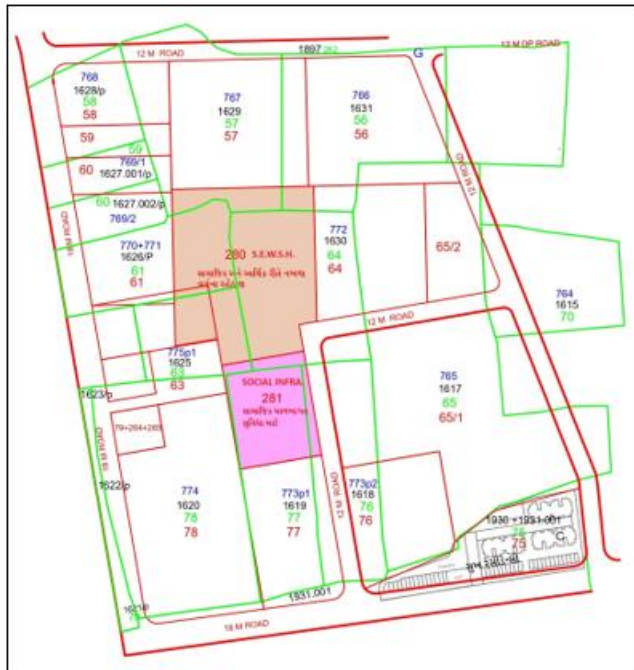
- Declaration of Intention
- Draft TPS Preparation and Publication
- Preliminary TPS Sanction and Implementation
- Final TPS Sanction and Reconstitution

Each stage incorporates public consultations, technical evaluations, and financial assessments, ensuring transparency and inclusivity.

4. Key Features and Innovations

- Land Value Capture: The value appreciation due to public infrastructure is partly recouped through land deductions and betterment charges.
- Non-Acquisitive Development: Unlike compulsory acquisition, TPS ensures landowners retain property rights with enhanced value.
- Social Equity: Reservation of 10–15% land for EWS housing ensures inclusive development.
- Legal Transparency: Objections and hearings at multiple stages uphold procedural fairness.

According to the TPS Manual, Gujarat's system allows deductions up to 40% for public purposes, significantly higher than earlier 20%, thus enabling better infrastructure and livability.



Gujarat could adopt similar participatory frameworks to build confidence, especially among small landholders. Currently, decision - making is centralized with the TPO; introducing stakeholder committees could balance authority and consensus.

- Delays in TPS approval due to bureaucratic bottlenecks.
- Resistance from landowners due to unclear valuation methods.
- Inadequate integration of environmental and informal sector needs in some schemes.

- Institutionalize advisory groups with legal backing for participatory planning.
- Enhance training of TPOs and planners in valuation, GIS, and dispute resolution.
- Adopt hybrid models integrating TPS with modern smart city and LAP approaches.
- Strengthen monitoring mechanisms to track post - implementation outcomes.

Prahladnagar TPS in Ahmedabad illustrates TPS efficiency. Out of 161 ha, 13 ha were reserved for low - income housing. The scheme led to spatially inclusive growth with high occupancy rates due to proximity to infrastructure and services.

TPS in Ahmedabad has enabled construction of over 80, 000 EWS housing units between 2007–2013, showing its capacity for equitable urban expansion.

Gujarat's Town Planning Scheme mechanism is a robust and legally sound model of land readjustment that effectively balances urban growth and social equity. By leveraging a participatory, non-acquisitive framework under the GTPUD Act, TPS has transformed land into serviced plots that accommodate infrastructure and diverse land uses. While globally admired, further legal and institutional refinements—especially around stakeholder engagement and valuation—could elevate Gujarat's model to a global benchmark for sustainable urban development.

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